

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Name (Specify) <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other Township of Elmer			County Sanilac
Audit Date March 31, 2004	Opinion Date May 11, 2004	Date Accountant Report Submitted to State: May 11, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan, as revised, issued by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

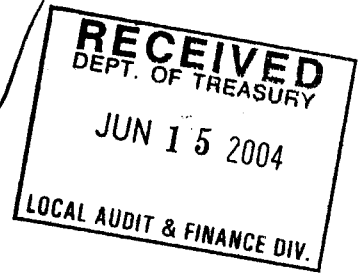
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Lehn L. King			
Street Address 3078 S. Main Street	City Marlette	State MT	ZIP 48453
Accountant Signature <i>Lehn L. King</i>			



Township of Elmer

Sanilac County, Michigan

**Audited Financial Report
March 31, 2004**

Lehn L. King

**Certified Public Accountant
Marlette, Michigan**

Township of Elmer
Annual Financial Report
For The Fiscal Year Ended March 31, 2004

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Members of the Township Board

Elmer Township
Sanilac County, Michigan

Independent Auditor's Report

I have examined the General Purpose Financial Statements arising from cash transactions of the various funds of Elmer Township as of March 31, 2004, as listed in the Table of Contents, for the year then ended. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, Elmer Township, prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, except for the omission of the information mentioned in the preceding paragraph, the accompanying statements present fairly the General Purpose Financial Statements of Elmer Township at March 31, 2004, and the revenues it received and expenditures it paid for the year then ended on the basis of accounting described in Note 1. The accompanying financial information listed as supporting schedules in the Table of Contents is presented for purposes of additional analysis and is not a required part of the General Purpose Financial Statements of Elmer Township. The information has been subjected to the auditing procedures applied in the examination of the General Purpose Financial Statements, in my opinion, is fairly stated in all material respects in relationship to the General Purpose Financial Statements taken as a whole.

Lehn King

Certified Public Accountant

May 11, 2004

**Combined Statements -
Overview**
(General Purpose Financial Statements)

Township of Elmer

Combined Balance Sheet - All Fund Types & Account Groups

Cash Basis

March 31, 2004

	<u>Governmental Fund Type</u>		<u>Fiduciary</u>	<u>Account</u>	<u>Totals</u>
	<u>Special</u>		<u>Fund Type</u>	<u>Group</u>	<u>(Memorandum</u>
	<u>General</u>	<u>Revenue</u>	<u>Trust And</u>	<u>General</u>	<u>Only)</u>
	<u>Fund</u>	<u>Road Fund</u>	<u>Agency</u>	<u>Fixed</u>	
			<u>Fund</u>	<u>Assets</u>	
<u>Assets</u>					
Cash - Checking	\$ 81,685	\$ 0	\$ 0	\$ 0	\$ 81,685
Due from Tax Account	0	0	0	0	0
Property, Plant, & Equipment	0	0	0	17,145	17,145
<u>Total Assets</u>	<u>\$ 81,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,145</u>	<u>\$ 98,830</u>
<u>Liabilities & Fund Equity</u>					
<u>Liabilities</u>					
Due to General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fund Equity</u>					
Investment in General Fixed Assets	0	0	0	17,145	17,145
Fund Balances:					
Unreserved - Undesignated	81,685	0	0	0	81,685
<u>Total Fund Equity</u>	<u>81,685</u>	<u>0</u>	<u>0</u>	<u>17,145</u>	<u>98,830</u>
<u>Total Liabilities & Fund Equity</u>	<u>\$ 81,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,145</u>	<u>\$ 98,830</u>

The notes are an integral part of the statements.

Township of Elmer
 Combined Statement of Revenues, Expenditures,
 And Changes in Fund Balance - Cash Basis
 Actual - All Governmental Fund Types
 For The Year Ended March 31, 2004

		Special Revenue Fund	
	General Fund	Road Fund	Totals (Memorandum Only)
<u>Revenues</u>			
Property Taxes	\$ 25,522	\$ 40,997	\$ 66,519
State Shared Revenue	56,591	0	56,591
Investment Income - Interest	1,070	0	1,070
Licenses, Permits, & Fees	425	0	425
Charges for Services	2,195	0	2,195
Rental Income	1,803	0	1,803
Miscellaneous	5,153	0	5,153
	<u> </u>	<u> </u>	<u> </u>
<u>Total Revenues</u>	<u>\$ 92,759</u>	<u>\$ 40,997</u>	<u>\$ 133,756</u>
<u>Expenditures</u>			
General Government	\$ 41,751	\$ 0	\$ 41,751
Public Safety	21,986	0	21,986
Highways, Streets, & Bridges	118,606	40,997	159,603
Public Services	2,350	0	2,350
	<u> </u>	<u> </u>	<u> </u>
<u>Total Expenditures</u>	<u>184,693</u>	<u>40,997</u>	<u>225,690</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(91,934)</u>	<u>0</u>	<u>(91,934)</u>
<u>Fund Balances - April 1, 2003</u>	<u>173,619</u>	<u>0</u>	<u>173,619</u>
<u>Fund Balances - March 31, 2004</u>	<u>\$ 81,685</u>	<u>\$ 0</u>	<u>\$ 81,685</u>

The notes are an integral part of the statements.

Township of Elmer

Combined Statement of Revenues, Expenditures,
And Changes in Fund Balance - Cash Basis
Actual Compared to Budget - All Governmental Fund Types
For The Year Ended March 31, 2004

Revenues	General Fund			Special Revenue Fund			Totals (Memorandum Only)		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
Property Taxes	\$ 27,004	\$ 25,522	\$ (1,482)	\$ 37,261	\$ 40,997	\$ 3,736	\$ 64,265	\$ 66,519	\$ 2,254
State Shared Revenue	61,555	56,591	(4,964)	0	0	0	61,555	56,591	(4,964)
Investment Income - Interest	2,436	1,070	(1,366)	0	0	0	2,436	1,070	(1,366)
Licenses, Permits, & Fees	475	425	(50)	0	0	0	475	425	(50)
Charges for Services - Ditching	0	2,195	2,195	0	0	0	0	2,195	2,195
Rental Income	1,350	1,803	453	0	0	0	1,350	1,803	453
Miscellaneous	0	5,153	5,153	0	0	0	0	5,153	5,153
<u>Total Revenues</u>	<u>92,820</u>	<u>92,759</u>	<u>(61)</u>	<u>37,261</u>	<u>40,997</u>	<u>3,736</u>	<u>130,081</u>	<u>133,756</u>	<u>3,675</u>
<u>Expenditures</u>									
General Government	\$ 52,625	\$ 41,751	\$ 10,874	\$ 0	\$ 0	\$ 0	\$ 52,625	\$ 41,751	\$ 10,874
Public Safety	25,000	21,986	3,014	0	0	0	25,000	21,986	3,014
Highways, Streets, & Bridges	185,314	118,606	66,708	37,261	40,997	(3,736)	222,575	159,603	62,972
Public Services	3,500	2,350	1,150	0	0	0	3,500	2,350	1,150
<u>Total Expenditures</u>	<u>\$ 266,439</u>	<u>\$ 184,693</u>	<u>\$ 81,746</u>	<u>\$ 37,261</u>	<u>\$ 40,997</u>	<u>\$ (3,736)</u>	<u>\$ 303,700</u>	<u>\$ 225,690</u>	<u>\$ 78,010</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(173,619)</u>	<u>(91,934)</u>	<u>81,685</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(173,619)</u>	<u>(91,934)</u>	<u>81,685</u>
<u>Fund Balances - April 1, 2003</u>	<u>173,619</u>	<u>173,619</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>173,619</u>	<u>173,619</u>	<u>0</u>
<u>Fund Balances - March 31, 2004</u>	<u>\$ 0</u>	<u>\$ 81,685</u>	<u>\$ 81,685</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,685</u>	<u>\$ 81,685</u>

The notes are an integral part of the statements.

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

The accounting methods and procedures adopted by the Township of Elmer, Sanilac County, Michigan, conform to generally accepted accounting principles as applied to governmental entities. The following notes to the financial statements are an integral part of the Townships Comprehensive Annual Financial Report.

1. Summary of Significant Accounting Policies

Financial Reporting Entity

The Township was incorporated under the laws of the State of Michigan and operates as a General Law Township, with a Township Board form of government. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Township (the primary government) and its component units. The component units discussed below are included in the Township reporting entity because of the significance of their operational or financial relationships with the Township.

Component Units - In accordance with generally accepted accounting principles, there are no component units of Government required to be included in the Financial Reporting Entity either as blended component units or discretely presented component units.

Basis of Presentation - Fund Accounting - The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The Township has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The funds are grouped into fund types and generic funds as described below:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund: This fund is established to account for resources devoted to financing the general services that the Township performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the Township are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds: The Special Revenue funds are used to account for the proceeds of specific revenue resources (other than assessments or expendable trusts) that are legally restricted to expenditures for specified purposes. These funds include: Road Fund.

Fiduciary Fund Types - These funds account for assets held by the Township as a trustee or agent for individuals, private organization, and other units of governments. These funds are as follows:

Expendable Trust and Agency Funds: These funds, used to account for assets held in trust of as an agent for others, include the Tax (property) Collection Fund.

Account Groups - In addition to the broad types of governmental funds, the Township also maintains one account group as described below:

General Fixed Assets Account Group: This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes.

Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made,

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

regardless of the measurement focus applied. The Township utilized the cash basis of accounting for all funds.

Budgetary Data - The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Township Clerk submits to the Township Board a proposed operating budget for the fiscal year commencing April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior April 1, the budget is legally enacted.
4. The budget is used by the Township Board as a management tool during the year for all budgetary funds. The budgets are adopted on a cash basis which is not consistent with generally accepted accounting principles. Budgetary control is exercised at the departmental level.
5. Budget amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations which were amended.

Cash - The Township does not pool cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Township's investments.

Investments - Debt securities are valued at cost since it is generally the policy of the Township to hold such investments until they mature.

Due To and Due From Other Funds - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Other Assets - Other assets held are recorded and accounted for at cost.

Property, Plant, and Equipment - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, sidewalks, and bridges, are not capitalized. Property, plant, and equipment acquired or constructed for general governmental operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Property, plant, and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Fund Equity - The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

Revenues and Expenditures/Expenses - Generally, Revenues for governmental funds, tax revenues, fees, and nontax revenues are recognized when received. Grants from other governments are recorded when qualifying expenditures are paid. Expenditures for governmental funds are recorded when paid.

Property Tax Revenues - Property taxes are levied on December 1 based on the assessed value of property as listed on the previous December 31. Assessed values are an approximation of market value. A revaluation of all real property must be made every year.

Property taxes are recognized as revenue when they are collected.

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

Vacation, Sick Leave, and Other Compensated Absences - The Township does not have any contracts or agreements with its employees or elected officials which require the payment of compensation during absence from duty nor do any such benefits vest to the right of the employee or elected official.

Total Columns - The Combined Financial Statements include total columns that are described as memoranda only. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

2. Stewardship, Compliance, and Accountability

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

3. Cash and Investments

The Governmental Accounting Standards Board Statement No. 3, risk disclosures for the Local Unit's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balances</u>
Insured (FDIC)	\$ 81,685	\$ 81,685
Uninsured and Uncollateralized	<u>0</u>	<u>0</u>
Total Deposits	<u><u>\$ 81,685</u></u>	<u><u>\$ 81,685</u></u>

All cash deposits and investments of the Township are held by the Township in the Township's name.

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

The GASB Statement 3 risk disclosures for the Local Unit's investments are as follows:

Investment Type	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Risk Categorized					
Operating Funds		NONE			
US Treasury Bonds					
Investment in Deferred					
Compensation Plans					
Total Risk-Categorized					
Investments					

The cash and investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 Insured or registered, or securities held by the Township or its agent in the Township's name.
- Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.
- Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

4. Property Taxes

The Township is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of December of the levy year and may be paid by the following February 14.

Property taxes are not recognized in compliance with NCGAI-3 which states that such revenue is recorded when it becomes measurable and available. Property taxes are recorded as revenue when collected.

The Township levied the following taxes:

General Government Services	<u>0.8692</u> mills
Township Roads	<u>1.9524</u> mills

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

5. Property, Plant, and Equipment

Activity for general fixed assets that are capitalized by the Township is summarized below:

<u>Assets</u>	<u>Balance April 1, 2003</u>	<u>Addition</u>	<u>Deduction</u>	<u>Balance March 31, 2004</u>
<u>Land</u>				
Township Hall	\$ 5,965	\$ 0	\$ 5,965	0
Chapel	4,800	0	0	4,800
<u>Equipment</u>				
Safe	1,305	0	0	1,305
Election Booth	2,360	0	0	2,360
Voting Machine	6,480	0	0	6,480
Computer	2,200	0	0	2,200
Total	<u>\$ 23,110</u>	<u>\$ 0</u>	<u>\$ 5,965</u>	<u>\$ 17,145</u>

6. Deficit Fund Balance or Retained Earnings Balances of Individual Funds

None

7. Comparative Data

Comparative total data for the prior year has not been presented.

8. Excess of Expenditures over Appropriations in Budgetary Funds

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted at the activity level.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

	<u>Total Appropriations</u>	<u>Amount of Expenditures</u>	<u>Budget Variance</u>
General Fund			
Office Supplies & Miscellaneous	\$ 5,000	\$ 5,359	\$ 359
Road Fund	\$ 37,261	\$ 40,997	\$ 3,736

9. POST EMPLOYMENT BENEFITS

The Township does not provide any post employment benefits.

Township of Elmer
Notes To Financial Statements
For The Year Ended March 31, 2004

10. RISK MANAGEMENT

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical and workman's compensation benefits provided to employees. The Township has purchased commercial insurance for the various risks of loss stated above.

Settled claims for the commercial insurance have not exceeded the amount of coverage in any of the past three years. There was no reduction in coverage's obtained through commercial insurance during the past year.

Supporting Schedules

Township of Elmer
Combined Statement of Revenues, Expenditures
And Changes in Fund Balance - Cash Basis
Actual Compared to Budget - General Fund
For The Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<u>Revenues</u>			
<u>Taxes:</u>			
Current Property Taxes	\$ 21,517	\$ 18,252	\$ (3,265)
Property Tax Collection Fees	5,487	7,270	1,783
<u>Total Taxes</u>	<u>27,004</u>	<u>25,522</u>	<u>(1,482)</u>
<u>State Shared Revenues</u>	61,555	56,591	(4,964)
<u>Interest Earnings</u>	2,436	1,070	(1,366)
<u>Miscellaneous Revenues</u>			
Charges for Services - Ditching	0	2,195	2,195
Tower Rental	1,350	1,803	453
Refunds & Miscellaneous	0	5,153	5,153
Permits	475	425	(50)
<u>Total Revenues</u>	<u>\$ 92,820</u>	<u>\$ 92,759</u>	<u>\$ (61)</u>
<u>Expenditures</u>			
<u>Township Board Salaries</u>			
Supervisor	\$ 3,150	\$ 3,150	\$ 0
Clerk	5,775	5,775	0
Treasurer	8,800	8,800	0
Township Board	2,000	1,870	130
Deputy Treasurer & Clerk	2,100	2,100	0
<u>Total Township Board Salaries</u>	<u>21,825</u>	<u>21,695</u>	<u>130</u>
<u>Other Expenditures</u>			
Office Supplies & Miscellaneous	5,000	5,359	(359)
Township Hall & Grounds	1,000	741	259
Insurance	5,000	4,058	942
Employer FICA	5,000	2,113	2,887
Board of Review	800	425	375
Elections	2,000	0	2,000
Fire Protection	25,000	21,986	3,014
Cemetery	1,500	1,247	253
Assessor	6,000	5,475	525
Professional Fees	4,500	638	3,862
Zoning & Planning	3,500	2,350	1,150
Drains at Large	10,000	7,106	2,894
Highways, Streets, & Bridges	175,314	111,500	63,814
<u>Total Expenditures</u>	<u>266,439</u>	<u>184,693</u>	<u>81,746</u>
<u>Excess of Revenues Over (Under) Expenditures</u>	<u>(173,619)</u>	<u>(91,934)</u>	<u>81,685</u>
<u>Fund Balance - April 1, 2003</u>	<u>173,619</u>	<u>173,619</u>	<u>0</u>
<u>Fund Balance - March 31, 2004</u>	<u>\$ 0</u>	<u>\$ 81,685</u>	<u>\$ 81,685</u>

LEHN L. KING
CERTIFIED PUBLIC ACCOUNTANT

3078 S. MAIN STREET
MARLETTE, MICHIGAN 48453

Phone 989-635-3113
Fax 989-635-5580

May 11, 2004

Members of the Township Board
Elmer Township
Sanilac County, Michigan

Board Members:

In accordance with your request, I have made an examination of the financial statements of Elmer Township for the fiscal year ended March 31, 2004. During the course of my examination, a certain item came to my attention on which I would like to comment and offer my recommendation.

1.) The Township Board needs to annually adopt a salary resolution, even if no raises are requested, attached is a copy of a salary resolution, which should be included in the Township minutes.

We thank the Township officials and employees for the cooperation we received in the completion of this examination. Should you have any questions in connection with the above comments, please contact me at your convenience.

Sincerely,

Lehn King

Lehn L. King
Certified Public Accountant